

Kazakstan Seeks German Input To Its Industry

by Rainer Apel

In what Russian, Central Asian and German media appropriately called a "Visit to Germany In The Footsteps Of Putin," the arrival of Kazak President Nursultan Nazarbayev and several cabinet ministers, days after the Russian President had left Germany, was an important event in latest initiatives of Eurasian diplomacy. For the Germans, the Republic of Kazakstan is the most stable, most calculable state in Central Asia; for the Kazaks, Germany is the second-largest foreign trade partner after Russia.

President Nazarbayev was accompanied by the ministers of foreign affairs, economics, transport, and defense, as well as the governor of the central bank. Compared with the visit Russian President Vladimir Putin's visit on Sept. 25-27 (see last week's *EIR*), the talks of the Kazak guests with their German hosts seemed to have a lower profile, and, except for a joint press conference with German Chancellor Gerhard Schröder in Berlin on Oct. 2, Nazarbayev had no official public appearances. But he spoke before a select audience of politicians, analysts and industrial leaders, hosted by two of Germany's biggest banks, Deutsche Bank and Commerzbank, and by the German Foreign Policy Association.

On the eve of his departure to Germany, Nazarbayev emphasized the Eurasian development perspective, in an interview with the *Kazakstan Pravda* daily, published Sept. 29. "We allot serious attention to transport," he said. "This December, we finish building of a unique highway, roads going toward Russia, and among all regional centers of the Republic of Kazakstan. . . . We have six crossings with China, and trade turnover has increased to \$2 billion in four years. We have connected with China by railway, we were provided with a Pacific seaport; therefore Kazakstan aims to complete a part of the transit system on the Eurasian continent." What Nazarbayev was referring to, is the railroad connection from the westernmost Chinese station of Kashgar to the former Kazak capital of Almaty, which runs through the territory of Uzbekistan. It is one of three main railway corridors directly connecting Asia with Europe.

Transit Point For Eurasian Trade

Nazarbayev said that visibly upgraded investments were required in three sectors of the economy that Kazakstan

wants to develop—machine-building, agriculture, telecommunications. As far as agriculture is concerned, Kazakstan does have a big potential in the largely untapped mineral resources in the North. These can serve as the basis for developing a fertilizer industry of considerable proportion—not just for domestic use, but also for exports.

The Kazak President also wants to develop his country's role as a key transit point for trade between Europe and Asia, implying the development and modernization of its transportation infrastructure. He said that since German Foreign Minister Joschka Fischer's mid-May visit to Kazakstan's new capital, Astana, relations between the two countries have shown more concrete potential for further development. He added that economic development is also important in the struggle against extremism and terrorism, because "terrorism does not begin with throwing bombs, it begins in the mind." Nazarbayev explained that if people remain economically underprivileged for a long time, they may listen to demagogues' calls for violence. Economic development, and a serious commitment to a dialogue between Islam and Christianity, are vital for turning Central Asia from a crisis region into one of wealth and stability.

Whereas Nazarbayev left Germany on Oct. 3, several of the cabinet ministers in his delegation stayed, to continue talks with German industrial managers and bankers. Remarks by Economics Minister Shaksybek Kulekeyev in an interview published on Oct. 1, shed some light on where the prime interests of his talks in Germany lay: The German magazine, *Ost-West Contact*, quoted Kulekeyev in its headline, "Machine-Building Has Priority."

"As a matter of fact, our positive economic development is predominantly based on the oil and gas industry. But we do not want to become dependent on our raw materials and the prices that we generate with them on the world markets," Kulekeyev said. "That is why last year, we formulated a National Program for the Development of the Machine-Building Sector. . . . In a country like Kazakstan, products of the machine-building sector are always needed. So far, we have imported machines and industrial facilities, which is to change."

Kulekeyev explained the plan to reassign a sizable share of foreign investments into the "development of the machine-building sector." No less than 30% of foreign investments, which so far, have exclusively gone into the purchase abroad of oil-related machinery and equipment (\$258 million in 2000), will now be used for building up a Kazak industrial capacity for the production of machines.

"Especially in the machine-building sector, we can think of no better partners than German companies," Kulekeyev said. And German machine-builders certainly can see no better perspectives, than those offered by Kazakstan. This is exactly the industrial cooperation that is required along the entire Eurasian Land-Bridge.